GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3231
ANSWERED ON:15.04.2008
HIKE IN GOLD PRICES
Chitthan Shri N.S.V.;Owaisi Shri Asaduddin

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the estimated demand and supply of gold in the country at present;

(b) the year-wise and State-wise details of gold imported and exported during the last three years, till date;

(c) the present status of gold prices in the country and the main reasons for fluctuation in the prices of gold during the recent past;

(d) whether sales of jewellery in domestic market and its export has dropped due to high rise in gold prices; and

(e) the steps taken by the Government to control the prices of gold in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) & (b) There are no definite statistics on estimated demand and availability of Gold in the country.However,the demand for Gold in the country has been estimated as 700-800 tonne per annum.As per latest information available,import and export of gold during the last three years, till date are as follows:-

Import of Gold
(in USD Million)

S.No.	Year	Data
1	2004-05	10537.72
2	2005-06	10830.51
3	2006-07	14450.62
4	2007-08 (Upto July, 2007)	8352.82

Source: DGCI&S
Export of Gold (in USD Million)

S.No.	Year	Data
1	2004-05	0.07

2 2005-06 0.29

3 2006-07 0.54

4 2007-08 1.15
(Upto
July, 2007)

Source: DGCI&S
State-wise data on import and export of gold is not maintained.

(c) As per the information available, the monthly average price of gold in Mumbai during the last one year was as under:-

S.No. Month Price Rs./10 Grms

1. April,2007 9321.09

2. May,2007 8878.13

3. June,2007 8707.42

4. July,2007 8741.35

5. August,2007 8835.58

6. September,2007 9310.96

7. October,2007 9690.96

8. November,2007 10340.38

9. December,2007 10311.00

10. January,2008 11290.96

11. February,2008 11887.83

12. March,2008 12153.48

The movements in the domestic price of gold are in tandem with similar movements in international markets.Internationally,various factors such as demand and supply,investor interest, interest rates, movement in the exchange rate of US Dollar vis-Ã -vis other international currencies, etc. affect the Gold price.

(d) Export of gold jewellery depends on various factors apart from input cost of gold.As per latest information available,export of gold jewellery during the period April 2007 to July 2007 stood at US$ 1612.40 million, which represents a growth of 29.52% over the corresponding period in 2006. Data regarding sale of jewellery in domestic market is not maintained.

(e) The rise in the prices of gold in India in the recent period largely reflects the price movement in the international markets.